



*PATENT*

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

APPLICANT : STOVER, Merlin D.  
SERIAL NO : 10/696,231  
FILED : October 29, 2003  
TITLE : NEGOTIABLE INSTRUMENT WITH FRAUD PROTECTION

Grp./A.U. : 2876  
Examiner : KOYAMA, Kumikoc  
Conf. No. : 5252  
Docket No. : P06457US00

**RULE 131 DECLARATION OF MERLIN D. STOVER**

COMMISSIONER FOR PATENTS  
Mail Code Amendment  
P. O. Box 1450  
Alexandria, VA 22313-1450

Dear Sir:

I, Merlin D. Stover, hereby declare the following:

1. I am the named inventor of the above-identified patent application.
2. I have read the Armel Patent U. S. 5,442,162, Martin Patent 6,390,362, Iguchi Patent Application 2002/0071682, Houvener Patent 5,657,389, Tsakanikas Patent 5,570,465 and Steger Patent 5,594,226. These patents do not conceal personal information within a pre-printed bar code on a negotiable instrument or a bank check, nor upon an upper left hand corner of a back check typically reserved for personal information.

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3. Martin does not teach pre-printing the bar code as in my invention, and places the bar code on the check after the check has been written by the customer (Martin, column 7, lines 36-38). Moore is directed towards preventing counterfeit checks (Moore, column 7, lines 5-10) or in coding an account number on the back side of the check. Although Martin and Moore have bar codes, they are not teaching the concept of personal identification concealed within the bar code.


4. Others of ordinary skill in the art have been working on the problem of check identification as recognized by the patents I included with the application. However, persons skilled in the art, even if they knew of the teachings of the above-cited references, would not have solved the problem of concealing personal information on a check. Before my negotiable instrument invention, those of ordinary skill in the art were solving the concept of check verification by including more and more information upon the check. My invention is a unique deviation from this and removes personal information and conceals it within a pre-printed bar code which the consumer has in their possession at the time of writing a check.

5. I enclose a letter from the United States Senator Charles E. Grassley regarding the problem of identity theft and particularly theft of social security numbers, two newspaper articles that stress protecting personal information from being exposed, namely a) "Steps to prevent, recover from identify theft" and b) "Spencer man held on several felony, forgery charges", and c) newspaper article regarding fraud using stolen checks, namely i) "26 warrants out for forgery suspect" and ii) Internet article "Spencer Woman Charged With Forgery". These references support the long-felt but unsolved needs associated with dissemination of personal information, check counterfeiting, and check forging.

6. Additionally, my invention has encountered commercial interest with venture capital representatives.

I hereby declare that all statements made herein of my own knowledge are true, and that all statements made on the information and belief are believed to be true; and further that these statements were made with the knowledge that the willful false statements and the like so made are punishable by fine or imprisonment, or both, under § 1001 of Title 18 of the United States Code, and that such willful false statements may jeopardize the validity of the application, any patent issuing thereon, or any patent to which this verified statement is directed.

Dated this 11 day of August, 2004.

  
\_\_\_\_\_  
Merlin D. Stover

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TTY: (202) 224-4479  
e-mail: chuck\_grassley@grassley.senate.gov
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# United States Senate

CHARLES E. GRASSLEY

WASHINGTON, DC 20510-1501

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(319) 232-6857
- ☐ 131 WEST 3RD STREET  
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(712) 322-7103

May 27, 2004

Mr. Merlin D. Stover  
15674 213th Avenue  
Spirit Lake, Iowa 51360

Dear Mr. Stover:

Thank you for taking the time to contact me. As your Senator, it's important for me to hear from you. Please accept my apology for the delay in my response.

I certainly understand your concerns about identity theft, particularly when this crime is perpetrated through the misuse of an individual's social security number. I want you to know that this issue has long been of concern to me, and I frequently am in contact with the Social Security Administration (SSA) to ensure that they are addressing this spiraling problem.

As you may know, the Social Security number (SSN) originated in 1936 as a way to track the earnings of workers covered by the Social Security program. Over the years, its use has expanded greatly. Today, the SSN is widely used by government agencies, schools, banks, credit bureaus, insurance companies, hospitals, and other groups for identification and record keeping.

Many people believe the widespread use of SSNs has led to the growing problem of identity fraud. The most common problems include: credit card fraud; unauthorized attainment of utility services; bank account and loan fraud; use of counterfeit Government documents; and fraudulent attainment of Government benefits, such as Social Security and Supplemental Security Income.

In response to these problems, Congress enacted the Identity Theft and Assumption Deterrence Act of 1998 to impose criminal sanctions on those who create a false identity or misappropriate someone else's identity. Also, the Internet False Identification Prevention Act of 2000 was enacted, and closed a loophole in the 1998 law that allowed people to sell counterfeit Social Security

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cards legally, by maintaining the fiction that such cards are "novelties," rather than counterfeit documents.

I believe government and business must continue to work together to limit the inappropriate use of SSNs and protect the privacy and identity of every citizen. There are now several bills pending in Congress that would begin to address these goals.

For example, I am a cosponsor of legislation recently passed in the Senate that seeks to enhance penalties for those who commit identity theft. This bill, S. 153, prescribes sentences of two years' imprisonment for knowingly transferring, possessing, or using another person's identity for felonies relating to theft, and five years imprisonment for felonies relating to terrorism. S. 153 currently awaits consideration by the House.

In addition to S. 153, I am also a cosponsor of S. 223, the Identity Theft Prevention Act of 2003. This legislation aims to make it more difficult to steal someone's identity, while imposing additional duties on credit issuers and credit bureaus to ensure the accuracy of information in credit applications.

Among other things, this legislation mandates truncation of credit card account numbers. This regulation also prevents any entity that accepts credit cards from printing more than the last five digits of the credit card account number, or the expiration date, upon any receipt provided to the cardholder.

As people increasingly rely on credit cards for electronic commerce and daily business transactions, industry needs to step up to the plate to protect consumers' sensitive information. The American people deserve no less than knowing that their identities are protected. Rest assured that I will keep your comments in mind as the 108<sup>th</sup> Congress continues to consider legislation on this matter.

Again, thank you for contacting me. I appreciate hearing your views and urge you to keep in touch.

Sincerely,

A handwritten signature in black ink that reads "Chuck".

Charles E. Grassley  
United States Senator

CEG/rr

# Steps to prevent, recover from identity theft



Photo by Kate Brincks

Mike Houchins, assistant Clay County attorney, was a featured speaker during a seminar on identity theft held Monday evening at the Clay County Regional Events Center.

By Kate Brincks  
Daily Reporter Staff

From Jan. 1 to Dec. 31, 2002, there were 2,092 fraud and identity theft complaints from Iowa consumers, according to statistics from the Federal Trade Commission.

There are steps individuals can take, however, to help them prevent and recover from identity theft and fraudulent activities.

"We're seeing more and more cases in Clay County," said Mike Houchins, assistant Clay County attorney during an identity theft seminar held Monday evening at the Clay County Regional Events Center and sponsored by State Bank.

Houchins indicated recently a woman brought her car in to be serviced at a large scale, multi-service retailer and left her purse in the vehicle. An employee stole some of the woman's personal information and used it to make some credit card purchases.

The county attorney's office also sees a number of thefts by check and forgeries.

"Even if you've been very careful in keeping your personal information to yourself, you can still be a victim of identity theft," said Houchins, who has been a victim of identity theft himself.

Identity theft occurs when someone uses an individual's

personal information such as their name, their mother's maiden name, Social Security number, credit card number or other identifying information, without their permission to commit fraud or other crimes, usually for economic gain.

The stolen information could be used to apply for auto or student loans or credit cards. It can also be used to open a bank account in another person's name or withdraw funds from an existing account. Using the person's name, the subject can declare bankruptcy or change an address for billing statements. The information can help a person obtain goods, benefits, or privileges, such as weapons, for which the subject might be declined if their real name or information was used.

Tim Palmersheim, an employee of the Federal Reserve Bank and bank examiner, said the number one thing criminals are looking for are people's Social Security numbers.

A person should not be afraid to ask questions, such as why a business or company needs it, how it will be used, how will it be protected from being stolen and what will happen if it is not disclosed, before handing out their number. They should also not be afraid to say no.

## Identity Theft

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## Identity Theft

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If an individual finds they have been the victim of an identity theft, there are four steps that should be taken.

Victims should contact the the Federal Trade Commission, one of the three major credit bureaus - Equifax, Experian and Trans Union -, their financial institutions, and the local police.

"In order to have protection, you've got to act quickly," said Houchins. "...If you are a victim, you have to be very proactive."

To prevent identity theft and fraudulent activities, people should pay close attention to their bank account statements and credit card bills. They should also review their credit

should be destroyed before it is thrown out. Information should be cleared off hard drives on old computers. Individuals should also be aware of where records are kept in the home and the proper precautions should be taken.

Palmersheim said people should not give out personal information if they did not initiate a phone call where personal information is being requested.

Individuals should also beware of Internet phishing. This happens when a link or an e-mail warns with little notice or

prior legitimate expectation that an account will be shut down unless billing information is confirmed.

"Never divulge your personal information unless you initiated the activity," said Palmersheim.

In addition, people should watch for Internet deals that seem too good to be true.

"If offers seem too good to be true, it's probably fraud," said Palmersheim.

Individuals should also be cautious of carrying too much information in their purses or wallets.

# Spencer man <sup>Ches</sup> held on several felony, forgery charges

A tip from a local business regarding a person attempting to pass a possible counterfeit check has lead to the arrest of a Spencer man.

The Spirit Lake Police Department received the tip on Jan. 23. James Boris Horn, 48, of Spencer was questioned and contacted.

An investigation determined that Horn had attempted to purchase or attain U.S. currency, real estate properties and vehicles by manufacturing and the use of counterfeit checks.

The Spirit Lake Police seized multiple counterfeit checks, with an estimated combined value of approximately \$1.4 million. Some of these documents had already been issued for merchandise or property and others were still in the possession of Horn.

A stolen 2003 Chevrolet Tahoe was seized, which had

been allegedly purchased with a counterfeit check.

A stolen 2002 Chevrolet Impala was also recovered. This vehicle had been reported stolen from the Spencer Hospital. The Impala had stolen Dickinson County license plates on it, which had been taken off of another vehicle in Okoboji.

Spirit Lake Police also responded to and searched the suspect's Spencer residence. In addition to other items, officers seized a laptop computer, printers, and check writing software.

Horn is being held in the Dickinson County Jail on eight felony charges including ongoing criminal conduct, a class B felony; theft in the first degree, a class C felony; possession of stolen property, a class D felony; and five counts of forgery, each a class D felony.

His bail has been set at \$50,000.

*"She's making a pretty good living at this."*  
— Lamoni Police Chief Dale Killpack, speaking of Janette Fitch

# 26 warrants out for forgery suspect

Janette Fitch, who has several aliases, is said to be living on the run, apparently in motels.

By TOM ALEX  
REGISTER STAFF WRITER

Lamoni police this month joined a growing list of Iowa law enforcement agencies tracking Janette Fitch, also known by Janel Fritz, Janette Mumford, Jannette Johnston and a number of other aliases.

Sixteen law enforcement agencies hold a total of 26 arrest warrants for Fitch,

who is sought on dozens of charges related to forgery, theft by deception and drugs. Police said when Fitch is taken into custody, her bond

will be set at \$242,000 because of the numerous charges.

Lamoni Police Chief Dale Killpack said Fitch, 27, used a photocopy of a \$198 payroll check to buy items at a Pamida store there this month. She bought Pepsi, eye-liner, flannel pajamas and a music CD and got some cash back.

"She's making a pretty good living at this," Killpack said.

Des Moines Police Officer Vince Valdez said Fitch first made the Metro's Most Wanted list in the fall of 1998. "She turned herself in the



DOUG WELLS/THE REGISTER

**Keeping track:** Des Moines Police Officer Vince Valdez, who is holding a rap sheet printout for Janette Fitch, said Fitch first made the Metro's Most Wanted list in the fall of 1998.

first time she made the list," Valdez said.

She has remained on the Metro's Most Wanted list since then, living on the run, apparently in motels, and occasionally returning to her hometown of Des Moines,

police said.

Fitch is wanted by police in Fairfield, Winterset, Chariton, Sioux Center and Coralville. Counties lining up to prosecute her include Mahaska, Warren, Polk, Union, Wayne, Poweshiek,

Shelby, Black Hawk and Plymouth. The Iowa State Patrol has three arrest warrants for Fitch.

"She's a check writer," said Valdez. "She writes stolen or forged checks at places like grocery stores and discount

stores."

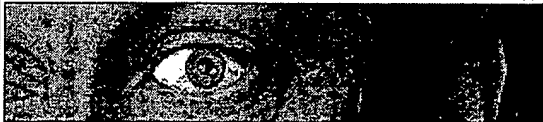
Fitch is about 5 feet 8 inches, 139 pounds, and has tattoos on her hands and arms. Her hair may be red or brown. Police warn she has a history of assaults and may carry a knife.

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02/20/2004

**Spencer Woman Charged With Forgery**

A Spencer woman accused of writing bad checks faces felony charges in Clay County. Sheriff's Officers arrested 19 year old Rachel Newkirk on forger charges around 9 o'clock Wednesday night. Deputies say the charge stems from some checks that were stolen from Troy Thoreson in late January. His checks were written to several stores in Spencer and authorities believe Newkirk was forging the checks. She was taken into custody and released on bond. Forgery is a class D felony.

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